



Iowa Department of Human Services

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

Jerry R. Foxhoven
Director

INFORMATIONAL LETTER NO.1851-MC-FFS

DATE: November 9, 2017

TO: Iowa Medicaid Providers Billing on CMS 1500 Claim Forms (Excluding Ambulatory Surgical Centers, Federally Qualified Health Centers, Indian Health Service Providers, and Rural Health Clinics)

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Multiple Procedure Payment Reduction (MPPR) for Diagnostic Imaging Procedures – Increased Payment Reduction

EFFECTIVE: December 1, 2017

To be consistent with Medicare and the Iowa Medicaid Managed Care Organizations (MCOs), the Iowa Medicaid FFS program will increase the reduction percentage for multiple diagnostic imaging procedures payment reduction for the Professional Component (PC). A 25 percent reduction will be applied for the PC portion for dates of service April 1, 2016 through December 31, 2016, and a 5 percent reduction will be applied for dates of service on or after January 1, 2017. Please note these changes may not apply to MCOs that already have these reductions in place.

The IME will apply a percentage reduction for multiple procedure payment reduction on the PC portion of certain diagnostic imaging procedures when performed by the same group physician and/or other health care professionals, in the same session, on the same day. The reduction applies to PC-only services and to the PC portion of the global services for the procedure. When two or more diagnostic procedures or a single diagnostic procedure with multiple units have a Medicare Physician Fee Schedule (MPFS) Multiple Surgery indicator of “4” and have the same Medicare Fee Schedule Diagnostic Imaging Family Indicator, the following payment reduction methodology will apply:

The procedure with the highest total Relative Value Units (RVUs) will be reimbursed at 100 percent of the IME Fee Schedule. The PC portion of all subsequent procedures within the same diagnostic family will be reduced by 25 percent for dates of service April 1, 2016 through December 31, 2016, and 5 percent for dates of service on or after January 1, 2017. The reduction does not apply to procedures performed in separate sessions. A session is defined as one encounter with the same physician or other health care professional where a patient could receive one or more radiologic studies. A separate session includes the patient having a separate encounter on the same date of service for a medically necessary reason. Documentation must indicate the procedures were performed in separate sessions. If documentation is not attached to the claim, it will be assumed that all procedures were performed during the same session.

The Technical Component (TC) reduction remains at 50 percent effective October 1, 2017, as described in Informational Letter [1822-MC-FFS](#)¹ issued on September 5, 2017.

The IME appreciates your continued partnership as we work to improve the claim processing service quality and accuracy. If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at imeproviderservices@dhs.state.ia.us.

¹ https://dhs.iowa.gov/sites/default/files/1822-MC-FFS_MultipleProcedurePaymentReduction_DiagnosticImagingProcedure.pdf